



Rue de la Loi 83 - B-1040 Bruxelles
Tél 32(2)285 40 85 - Fax 32(2)231 11 12

**ADMISSION TO THE PROFESSION
OF ACCOUNTANT AND AUDITOR
- A Comparative Study -**

December 2002

CONTENTS

Executive Summary	4
I. Introduction	6
II. Background Information	7
1. Scope of the Survey	7
2. Existing EU Legislative Framework	9
3. Relevant FEE Studies	10
III. Pre-Qualification Education Requirements	11
1. University Entrance Level	13
2. Different Routes to Qualification	13
3. Experience and Additional Training Courses	15
4. Professional Examination	18
4.1. Subjects Included in the Examination	18
4.2. Authorities Responsible to Set the Rules and to Organise the Examination	19
4.3. Administration of the Examination	21
IV. Registration of Accountants and Auditors in Public Practice	24
1. Professional and Functional Titles	24
2. Preliminary Registration Requirements	27
V. Recognition of Professional Qualifications	31
1. General Provisions for Accountants	31
2. Specific Regulations for Statutory Auditors	33
Appendices	
1. Questions used to prepared the survey	40
2. Letter to the European Commission concerning the proposal for a new Directive on the recognition of professional qualification	46

CONTENTS (Continued)

List of Tables

<u>Table 1:</u>	Members of the Accountancy Profession in Europe	8
<u>Table 2:</u>	Requirements to Apply for Membership	12
<u>Table 3:</u>	Requirement of a University Degree	14
<u>Table 4:</u>	Practical Experience (Stage)	16
<u>Table 5:</u>	Additional Training Courses	17
<u>Table 6:</u>	Institutions Responsible for Setting the Rules and Organising Professional Examinations	20
<u>Table 7:</u>	Frequency and Cost of Examinations	21
<u>Table 8:</u>	Method of Examination	22
<u>Table 9:</u>	Average Number and Age of Successful Candidates	23
<u>Table 10:</u>	List of FEE Member Bodies and Professional Titles used in their Countries	25
<u>Table 11:</u>	List of Functional Titles used by Statutory Auditors	26
<u>Table 12:</u>	Requirements to Become a Member of the Local Institute	27
<u>Table 13:</u>	Additional Requirements for Membership	28
<u>Table 14:</u>	Prohibitions concerning Accountants in Public Practice	29
<u>Table 15:</u>	Does your Country Have a Special Procedure to Register Foreign Accountants?	32
<u>Table 16:</u>	Conditions Required from Foreign Accountants Applying for Membership	34
<u>Table 17:</u>	Official Documents to be Provided by the Applicant	35
<u>Table 18:</u>	Organisation of the Examination or Aptitude Test	36
<u>Table 19:</u>	Content of the Aptitude Test or Examination for Mutual Recognition	37
<u>Table 20:</u>	Position of Unsuccessful Candidates	38
<u>Table 21:</u>	Statistics 1996-2000	39

FEE wishes to draw to the attention of the reader that changes can occur in the countries surveyed. This document is based on the best available data provided by FEE Member Bodies at the time of publication. The survey does not provide any commitment by FEE as an organisation that individual cases would be treated in conformity with what is reported in the survey.

EXECUTIVE SUMMARY

FEE (Fédération des Experts Comptables Européens) is the representative body for the accountancy profession in Europe. This survey aims at identifying areas of convergence in the education of accountants and auditors in Europe and in the conditions of admission to the profession. It provides information on:

- The pre-qualification requirements applicable to all accountants;
- The requirements applicable to qualified accountants in public practice;
- The specific requirements linked to the statutory audit function;
- The aptitude test applied to accountants or auditors moving to another Member State.

Fundamental requirements to be admitted to the profession of accountant and auditor are largely convergent in Europe.

Even if the scope of activities is variable in the countries where FEE has a member, auditing can be considered as a core activity and the education requirements are, to a large extent, aligned on the model applicable to register auditors.

In all countries surveyed, including those which are not members of the EU, a combination exists of the three major requirements of the Eighth EC Directive, education programme, experience and examination. The education programme is organised in a very different way across European countries. In the majority of the countries surveyed, a professional education programme is required in addition to a higher education degree. In some countries, the professional education programme is in itself equivalent to a higher education degree. In this case, the fact that the candidate has a university degree is not necessarily relevant.

The accountancy bodies are organised and structured differently in the countries covered by the survey. In some countries, a degree of specialisation has been introduced by law which restricts the scope of activities.

Membership of a professional body of accountants is associated with the use of a professional title, which is usually an educational title. With a few exceptions, the law or equivalent provisions protects all professional titles used in the countries surveyed. This protection however does not exceed the borders of the country in which the title is conferred. Regulatory frameworks have a major influence on the national systems. In most cases local regulations also provide for a specific functional title for statutory auditors.

The free movement of professionals across Europe is organised on the basis of an aptitude test restricted to the necessary knowledge of the local law. FEE supports this system which is working to the satisfaction of users.

Under the current European Union mutual recognition arrangements, the accountancy profession as a whole falls under the General System (through 89/48/EEC) while the training of individuals to undertake statutory audit – an important aspect of the profession’s activities where the public interest dimension of its activities is most acute – is regulated by the Eighth Directive. Statutory auditors, however, also fall under the General System for the purposes of free movement.

The free movement for professionals between Member States of the European Union is an objective of the Treaty of Rome. FEE has always supported this objective and recommended eliminating unjustified barriers to free movement (see the discussion paper Liberalisation of the Accountancy Profession in Europe 1999).

The role and position of the statutory audit function in the corporate governance systems in each country need to be carefully considered. There is no valid reason to argue that the fundamental liberty of free movement of persons should not apply in this case. However, it is essential to ensure that all necessary safeguards apply to protect users of auditors' report and more broadly the public interest.

The survey shows that all EU Member States recognise the professional qualifications delivered in the country of origin but require an aptitude test which, in most cases, is limited to the knowledge of local laws and regulations. FEE believes that the system is working well and does not constitute an unnecessary barrier to free movement. FEE believes that this system should be maintained notwithstanding the proposals for a revision of the general system for recognition of professional qualifications.

The education system is likely to be a minor obstacle to the free movement of professional compared to the effect of linguistic barriers or the results of differences in the regulatory environment, mainly company and tax law, of the activities of an accountant.

Brussels
18 December 2002

I. INTRODUCTION

The last comparative study on training for the profession was published in 1988 when FEE decided to update a survey previously carried out by U.E.C.¹ The objective was to obtain detailed information which would enable FEE to respond to developments including the implementation of the Eighth Directive and the Directive on mutual recognition of qualifications in EU Member States.

The Eighth Directive on the approval of statutory auditors has now been implemented in all EU Members States. It is also used as a major reference point by other non-EU European countries, some of which are covered by this survey. An updated comparative study can be used as a useful tool to monitor the evolution of the national requirements and in turn to understand their implications for an effective single market for accountancy and auditing services in Europe.

The first objective of this survey is to cover the different educational requirements across FEE Member Bodies of qualifying as an accountant and an auditor. Secondly, the survey addresses the question of the movement of professional accountants and auditors from one EU Member State to another.

Free movement of persons throughout the European Union is an essential objective of the Treaties. The accountancy and auditing professions fall under the European Union's General System for mutual recognition, and specifically Directive 89/48/EEC. In its 1999 report on "Liberalisation of the Accountancy Profession in Europe", FEE underlined the usefulness of examining and evaluating the extent to which existing measures for mutual recognition in EU Members States go beyond the minimum requirements of the General System.

In addition to the recognition of EU qualified accountants and auditors, the survey also considers arrangements for qualified professionals from outside the European Union.

A further aspect of the free movement of persons throughout the European Union concerns firms of accountants or auditors. This issue is not covered by this study but will be addressed in a forthcoming FEE survey.

This study will survey:

- The pre-qualification requirements applicable to all accountants;
- The requirements applicable to qualified accountants in public practice;
- The specific requirements linked to the statutory audit function;
- The aptitude test applied to accountants or auditors moving to another Member State.

¹ UEC (Union européenne des experts-comptables économiques et financiers) is one of the two pre-existing bodies which merged in 1987 to form FEE.

II. BACKGROUND INFORMATION

II.1. Scope of the Survey

The survey was carried out in June 2001 with the support of the FEE Member Bodies in the countries mentioned below. It was substantially reviewed and amended in the summer of 2002. It should be pointed out that in some countries other professional organisations may exist that are not included in this survey because they are not members of FEE.

- Austria
- Belgium
- Czech Republic
- Denmark
- Finland
- France
- Germany
- Greece
- Hungary
- Luxembourg
- Ireland
- Italy
- Malta
- The Netherlands
- Norway
- Poland
- Portugal
- Romania
- Slovenia
- Spain Sweden
- Switzerland
- United Kingdom

TABLE 1: Members of the Accountancy Profession in Europe

Country	Member Body	Active individual accountants			Total Dec. 2001
		Public practice (*)	in business (*)	in Government (*)	
Members of FEE		2001	2001	2001	
Austria	KWT	7.502			7.502
	IWP	574			574
Belgium	IEC	3.661	2.329		5.990
	IRE	998			998
Denmark	FSR	1.903	785	20	2.708
Finland	KHT	540	62	19	621
	HTM	896			896
France	CNCC	13.681			13.681
	OEC	15.933			15.933
Germany	IDW	9.047			9.047
Greece	SOEL	505			505
Ireland	ICAI	3.891	12.190(**)		16.081
	ICPAI	784	1.090	219	2.093
Italy	CNDC	48.350	1.470	980	50.800
	CNRPC	40.000			40.000
Luxembourg	IRE	274			274
	OEC	332	10	2	344
Malta	MIA	482	424	31	937
Netherlands	NIVRA	4.521	5.386	1.279	11.186
Norway	DNR	2.800	190	50	3.040
Portugal	OROC	899			899
Spain	IACJCE	2.829	2.447		5.276
Sweden	FAR	2.030		13	2.043
Switzerland	TK	3.500	100	100	3.700
United Kingdom	ACCA	24.519	53.547	10.111	88.177
	CIMA		54.927		54.927
	CIPFA	1.719	389	8.689	10.797
	ICAEW	53.550	59.500	5.950	119.000
	ICAS	4.160	6.815	253	11.228
Correspondent members of FEE					
Czech Republic	KACR	1.314	308		1.622
Hungary	MKVK	3.611	1.168	584	5.363
Poland	KIBR	7.723			7.723
Romania	CECCAR	9.017		13	9.030
Slovenia	SIZR	270	177	24	471

(*) In accordance with the IFAC code of ethics, professional accountants in public practice are each partner or person occupying a position similar to a partner and each employee in a practice providing professional services to a client irrespective of their functional classification (e.g. audit, tax or consulting) and professional accountants in a practice having managerial responsibilities. Accountants in Business and Industry are qualified accountants working as an employee in a company (or comparable commercial entity). Accountants in Government are qualified accountants employed in this capacity by governments, government agencies or local authorities.

(**) ICAI do not maintain records dividing between business and government.

II.2. Existing EU Legislative Framework

Two EU Directives are relevant to the subject of this survey.

The Eighth Council Directive (84/253/EEC) on the approval of persons responsible for carrying out the statutory audit of accounting documents

The Eighth Directive aimed to harmonise the qualification of statutory auditors. Conditions are provided on:

- Theoretical knowledge including a list of subjects (Education),
- Practical training (Experience),
- Professional examination.

The minimum qualification requirements of this Directive relate exclusively to individuals approved as statutory auditors.

Statutory audit is however a core activity of the accountancy profession in Europe. Consequently, the Eighth Directive has also had a major influence on the requirements for admission to membership in a majority of accountancy bodies, even where only a small proportion of members of some bodies are practicing statutory audit. The 11th recital of the Directive indicates explicitly that it does not cover either the right of establishment or the right to provide services with regard to statutory auditors. However, indirectly, the Directive has had an influence on liberalisation issues.

The Council Directive (89/48/EEC) on a general system for the recognition of higher-education diplomas awarded on completion of professional education and training of at least 3 years' duration

The accountancy profession is covered by the Directive 89/48/EEC relating to a general system of mutual recognition of higher-education diplomas. The general system combines the process of liberalisation and the protection of the public interest in an appropriate way.

Article 4.1 b) of EEC Directive 89/48 lays down that the host Member State must allow an applicant seeking practice rights in an EU Member State other than that in which the professional qualification was obtained to choose between an adaptation period and an aptitude test, except for those professions where practising demands precise knowledge of national law and where a major and continuing part of activity is the provision of advice and/or assistance with national law. FEE has always considered and continues to maintain that, for practical reasons, the aptitude test is the best mechanism to enable such applicants to obtain the necessary qualification in the least onerous way possible.

The mutual recognition of diplomas deals with professionals who are already qualified in their Member States of origin; in other words, professionals who, bearing in mind the duration of their studies and practical training, are already involved in active practice. To submit these professionals to an adaptation period in a host country will require some form of training, without the individual being able to assume full and entire responsibility for his work, as he does in his country of origin.

Pursuant to Articles 4.1 b) and 10, the profession recommended the use of an aptitude test in order to acquire the qualification of the host country in the least onerous way possible. All Members States have chosen this solution. However, in order to ensure the effective functioning

of the aptitude test in the light of the objectives stated above and any necessary improvements, FEE proposes to examine and evaluate the extent to which existing measures in the Member States go beyond the minimum required.

Proposed modification of the system of recognition of professional qualifications

The European Commission has presented a proposal for a draft Directive reshaping existing systems of recognition of professional qualifications (doc. COM(2002)199 of 7 March 2002). The Commission states that: “A clear, secure and quick system for the recognition of qualifications in the field of the regulated professions is required to ensure free movement”. In order to achieve this objective, the proposed Directive seeks to comprehensively revise all existing Directives founded on the recognition of titles so as to maintain the principal conditions and guarantees, while simplifying the structures and improving their operation. It also provides for simpler conditions for the cross-border provision of services.

The Council of FEE has presented its views on this proposal in a letter to the European Commission, which is attached to this survey. (See appendix 2) However it is important to note that the survey does not take this development into consideration.

II.3. Relevant FEE Studies

FEE has published several studies that are relevant to the subjects covered by this survey. In particular:

“Survey of the Activities of the Accountancy Professionals in Europe” (1995)

This survey shows that the scope of activities differs among FEE Member Bodies. Some activities are regulated whereas other services to business may be provided by anybody without restrictions. Except for the statutory audit of annual accounts and consolidated accounts, there is no consistency among the EU Member States on the regulated activities. However, in all European countries, despite historic, economic, legal and cultural differences, a core of activities are reserved in law or in practice to the accountancy profession, which covers the production and legal validation of the company’s financial data.

“Liberalisation of the Accountancy Profession in Europe” (1999)

FEE upholds two essential principles with regard to the subject of liberalisation measures:

- The obligation to acquire the host country qualification,
- The application of this principle irrespective of the professional’s mode of practice.

The differences in the obligations and requirements of the assignments undertaken by accountants, along with the differences between the legal and taxation systems and the extent of the accountant’s responsibility justify and require, with the public interest in mind, the acquisition of the qualification of the host country.

Similarly, competence requirements – which do not change whether the professional is practising via a local establishment or on a cross border basis – along with the need to ensure fair competition between professionals from different Member States, make it necessary to retain the obligation to acquire the host country title whatever the mode of supply of services.

III. PRE-QUALIFICATION EDUCATION REQUIREMENTS

Admission to the profession of accountant is subject in all countries surveyed to precise educational requirements.

FEE Member Bodies are also members of the International Federation of Accountants and are committed to respecting the education standards applicable worldwide. Paragraph 7 of the International Education Guideline (IEG 9) states: “The goal of accounting education and experience must be to produce competent professional accountants capable of making a positive contribution over their lifetimes to the profession and society in which they work. The maintenance of professional competence in the face of the increasing changes they encounter makes it imperative that accountants develop and maintain an attitude of learning to learn. The education and experience of professional accountants must provide a foundation of knowledge, skills, and professional values that enables them to continue to learn and adapt to change throughout their professional lives.”²

Table 2 reviews the essential conditions applied in Europe to practice as a qualified accountant.

In all countries surveyed, a combination exists of the three major requirements of the Eighth EC Directive:

- Education programme,
- Experience and
- Examination.

Nevertheless, as this will be highlighted later, the education programme is organised in a very different way across European countries. In the majority of the countries surveyed, a professional education programme is required in addition to a higher-education degree. In some countries, the professional education programme is in itself equivalent to a higher-education degree. In this case, the fact that the candidate has a university degree is not necessarily relevant.

² The Education Committee has published a Proposed International Education Standard for Professional Accountants covering Entry Requirements that could supersede IEG 7.

TABLE 2: Requirements to Apply for Membership

Member Bodies	University degree	Additional education	Examination	Prove experience
KWT & IWP – Austria	Yes, with a few minor exceptions	No	Yes	Yes
IEC – Belgium	No	Yes	Yes	No
IRE – Belgium	Yes	Yes	Yes	Yes
FSR – Denmark	Yes	Yes	Yes	Yes
KHT – Finland	Yes	No	Yes	Yes
CNCC – France	Yes	Yes	Yes	Yes
OEC – France	Yes	Yes	Yes	Yes
IDW – Germany	Yes	No	Yes	Yes
SOEL – Greece	Yes			
ICAI – Ireland	No, but normal	Yes	Yes	Yes
ICPAI – Ireland	No	Yes	Yes	Yes
CNDC – Italy	Yes	Yes	Yes	Yes
CNRPC – Italy	Yes	Not compulsory	Yes	Yes
IRE – Luxembourg	Yes	Yes	Yes	Yes
OEC – Luxembourg	Yes	No	No	Yes
MIA – Malta	Yes	Yes	Yes	Yes
NIVRA – Netherlands	No	Yes	Yes	Yes, included in education
DNR – Norway	No	Yes	Yes	Yes
OROC – Portugal	Yes	Yes	Yes	Yes
IACJCE – Spain	No	Yes	Yes	Yes
FAR – Sweden	Yes	Yes	Yes	Yes
TK – Switzerland	No, but normal	Yes	Yes	Yes
ACCA – UK	No	Yes	Yes	Yes
CIMA – UK	No	Yes	Yes	Yes
CIPFA – UK	No	Yes	Yes	Yes
ICAEW – UK	No	Yes	Yes	Yes
ICAS – UK	Yes	Yes	Yes	Yes
KACR – Czech Republic	Yes	No	Yes	Yes
MKVK – Hungary	Yes	Yes	Yes	Yes
KIBR – Poland	Yes	No	Yes	Yes
CECCAR – Romania	Yes	Yes	Yes	Yes
SIZR – Slovenia	Yes	Yes	Yes	Yes

III.1. University Entrance Level

“An individual must bring to a program of education and experience in accounting at least a minimum level of prior education to provide the foundation necessary to acquire the knowledge, skills and professional values needed to become a professional accountants” (IFAC – 1996 - § 26)

Article 4 of the Eighth Directive specifies that any candidate needs to have attained university entrance level before completing the courses leading to qualification. The Directive 89/48 on mutual recognition of higher-education diplomas of at least three years’ duration (or equivalent professional qualification delivered by professional institutes) more than meets the IFAC conditions.

All FEE Member Bodies confirmed that the condition is met in their country. In most cases the requirement is implicit because a university degree is required. In some cases, the relevant body provides education which is acknowledged as being equivalent to a university degree.

III.2. Different Routes to Qualification

Although general education requirements vary greatly from country to country, education usually focuses on the development of general knowledge through a broad range of subjects in arts, sciences and humanities and a professional education concentrating on business, information technology and accounting related issues.

Two models exist for obtaining the basic theoretical knowledge. In some countries, professional Institutes are directly involved in full-time education programmes (the “professional route”); in these cases the student may start the courses immediately after completing his secondary school. In other countries, the Institutes provide an additional education programme to people who have already obtained a university degree. Table 3 shows that the length in years to achieve a university degree varies from 3 to 5 years.

Directive 89/48 acknowledges the equivalence of the two routes. In accordance with Article 1 (d) of this Directive, “a professional activity shall be deemed to be a regulated professional activity if it is pursued by the members of an association or organisation, the purpose of which is, in particular, to promote and maintain a high standard in the professional field concerned and which, to achieve that purpose, is recognised in a special form by a Member State and:

- Awards a diploma to its members
- Ensures that its members respect the rules of professional conduct which it prescribes
- Confers on them the right to use a title or designatory letters, or to benefit from a status corresponding to that diploma.”

The “professional route” is pursued in Finland, Ireland, Malta, The Netherlands, Switzerland and the United Kingdom. In other countries, a university degree is required. However, the submissions to the survey provided by Belgium and France confirmed the existence of an alternative route based on a long period of experience.

TABLE 3: Requirement of a University Degree

Member Bodies	University degree	Minimum length (in years)	Normal age at the end of the studies
KWT & IWP – Austria	Yes, with a few minor exceptions		22/25
IEC – Belgium	No		23
IRE – Belgium	Yes(*)	4	22
FSR – Denmark	Yes	5	25
KHT – Finland	Yes(*)	4	25
CNCC – France	Yes	3	There are no specific rules
OEC – France	Yes	3	28/30
IDW – Germany	Yes	4	25/26
SOEL – Greece	Yes	4	23/28
ICAI – Ireland	No, but 95% have one	3 ½ to 5	+/- 20 or 21
ICPAI – Ireland	No		23/25
CNDC – Italy	Yes	3 to 5(**)	28
CNRPC – Italy	Yes	3 to 4	23/24
IRE – Luxembourg	Yes	4	22/23
OEC – Luxembourg	Yes	3	22/23
MIA – Malta	Yes	5	20
NIVRA – Netherlands	No		23
DNR – Norway	No		23
OROC – Portugal	Yes	4 to 5	25/30
IACJCE – Spain	No (well in practice)		24/25
FAR – Sweden	Yes	3(GR); 4(AR)	22/25
TK – Switzerland	No		32
ACCA – UK	No	3	25-30
CIMA – UK	No		18
CIPFA – UK	No	-	22
ICAEW – UK	No, but 93% have one	3	21
ICAS – UK	Yes	3	21/22
KACR – Czech Republic	Yes	5	23
MKVK – Hungary	Yes	3 to 5	25
KIBR – Poland	Yes	3 to 5	23/25
CECCAR – Romania	Yes	4 to 5	23/28
SIZR – Slovenia	Yes	5	26

(*) Exemptions may be granted in accordance with Article 9 of the Eighth EC Directive.

(**) Italy has recently introduced a new university system based on courses of three years and specialisation courses of five years. Certain professional activities will be undertaken only by registered practitioners who have completed the latter. At the moment the system is not fully implemented.

III.3. Experience and Additional Training Courses

The Eighth Directive as well as the International Education Guidelines of IFAC require that an appropriate period of practical experience is included as a component of the pre-qualification or qualification programme. As far as statutory auditors are concerned, Article 8 of the Eighth Directive establishes a minimum of 3 years practical experience. With two main exceptions (Greece requires 8 years and Sweden (AR) 5 years), the period of three years is generally applied in EU Member States.

As indicated in table 4, in all cases, except Italy and Portugal, practical experience can also result from professional practice in another EU Member State. However, only a part of the training completed abroad will be taken into account for the calculation of the 3 years minimum period. In Belgium, France, Ireland and the United Kingdom (ICAEW), the trainee must obtain previous authorisation from the relevant Institute or from the monitoring authority. No distinction is made in the EU Member States between experience acquired in the European Union and elsewhere.

In some countries, limited exemptions from the normal requirements on practical experience can be obtained, usually when the trainee can prove appropriate prior experience.

The organisation of practical training (stage) is comparable in the Member States. It usually consists of on the job experience under the guidance of a supervisor (IFAC use the word “mentor”) who is charged with reporting on the evolution of the stage to the professional Institutes or to the authority responsible for the registration when the register is kept by a public body external to the Institute. Some differences arise however in the monitoring system and in the documents required which vary from country to country.

Another important characteristic is the obligation that the trainees satisfy additional educational requirements during the training period. Most Institutes organise special training programmes for trainees. As indicated above (III.2.) a distinction needs to be made between those Institutes where the theoretical and practical education are not sequenced because they are part of a single professional course, and those where the practical training usually follows the acquisition of the theoretical knowledge.

In the first case, attendance at training courses is compulsory. In some instances, a full-time education programme is even available for trainees. (See table 5)

In the second case, the education programmes provided by the Institutes are merely supplementary. The objective is to guarantee that all trainees have a similar professional background and that their professional grounding is up-to-date. It is not surprising that these training courses are then optional and organised partly during working hours and partly in the evening or the weekends. Even though the additional education programmes are optional, in most of cases, trainees are strongly advised to attend the sessions.

Most Institutes organise training programmes directly but many of them also use education programmes provided by universities, high schools or private firms.

TABLE 4: Practical Experience (Stage)

Member Bodies	Duration of the stage (years)	Stage in other EU Member State	Max. period of stage abroad	Exemption of stage allowed
KWT & IWP – Austria	3 (TA) + 3	Yes	1	Yes
IEC – Belgium	3	Yes	1	Yes
IRE – Belgium	3	Yes	1	Yes if experience as IEC member
FSR – Denmark	3	Yes	1	No
KHT – Finland	3	Yes	3	No
CNCC – France	3	Yes	3	No
OEC – France	3	Yes	2 in EU; 1 in other country	No
IDW – Germany	3	Yes	1	N/A
SOEL – Greece	8	Yes	8	No
ICAI – Ireland	3 ½ to 5	Yes	6 months	No
ICPAI – Ireland	3	Yes	3	No
CNDC – Italy	3	Yes	6 months	No
CNRPC – Italy	2/3*	No	N/A	No
IRE – Luxembourg	3	Yes	1	No
OEC – Luxembourg	3	Yes	3	No
MIA – Malta	3	Yes	No limit	No
NIVRA – Netherlands	3	Yes	No limit	Not in practice
DNR – Norway	3	Yes	3	No
OROC – Portugal	3	No	N/A	Yes (10 years exp.)
IACJCE – Spain	3 with Univ. degree 8 without	No	-	No
FAR – Sweden	5(AR) 3(GR)	Yes	1/2 of the period	Experience from related area may be claimed to a limited extend
TK – Switzerland	3 / 5	Yes	No limit	No
ACCA – UK	3	Yes	3	No
CIMA – UK	3	Yes	3	No
CIPFA – UK	400 days	Yes	400 days	Yes
ICAEW – UK	3	Yes	6 months	No
ICAS – UK	3	Yes	None specified	Yes
KACR – Czech Republic	3	Yes	No limit	No
MKVK – Hungary	3	Yes	3	No
KIBR – Poland	3	Yes	3	Yes (if 3 years in the profession)
CECCAR – Romania	3	No	N/A	No
SIZR – Slovenia	5	Yes	No limit	No

(*) Grants access to the title of Ragioniere in case of a 4-year degree. Three years experience is required to undertake statutory audit where a 3-year University course has been completed.

TABLE 5: Additional Training Courses

Member Bodies	Obligatory courses	Full time	Evening & Weekend	1 day/week or block	Distance learning
KWT – Austria	No	X	X	X	
IWP – Austria	Yes		X		
IEC – Belgium	No		X		
IRE – Belgium	No			X	
FSR – Denmark	No		X		
KHT – Finland	No		X		
CNCC – France	Yes				
OEC – France	Yes		X		X
IDW – Germany	No		X		
SOEL – Greece	No	X	X		
ICAI – Ireland	Yes	X	X	X	X
ICPAI – Ireland	Yes	X	X	X	X
CNDC – Italy	No		X	X	X
CNRPC – Italy	No	X	X	X	X
IRE – Luxembourg	Yes			X	
OEC – Luxembourg	No				
MIA – Malta	No	X	X		
NIVRA – Netherlands	No	X	X	X	
DNR – Norway	Yes	X			
OROC – Portugal	No		X		
IACJCE – Spain	Yes	X	X	X	X
FAR – Sweden	Yes		X		
TK – Switzerland	No		X		
ACCA – UK	No	X	X	X	X
CIMA – UK	No	X	X	X	X
CIPFA – UK	No	X	X	X	X
ICAEW – UK	Yes		X	X	
ICAS – UK	Yes			X	X
KACR – Czech Republic	No			X	
MKVK – Hungary	Yes		X	X	
KIBR – Poland	Yes		X	X	
CECCAR – Romania	No		X	block	
SIZR – Slovenia	No		X	X	

It is useful to mention that the additional education programme in many if not all the countries combines different characteristics (evening or weekends / long duration seminars / distance learning). Full-time courses are only available in a limited number of countries but it should be recalled that this table relates to additional postgraduate programmes.

III.4. Professional Examination

The professional examination is of course an essential pre-requisite to be admitted as a member of any professional Institute. The Eighth Directive may allow Member States to grant exemptions to some requirements to become a statutory auditor; but this never applies to examinations.³

III.4.1. Subjects Included in the Examination

The Eighth Directive lists the subjects to be included in the professional examination. Article 6 of the Directive provides:

The text of theoretical knowledge included in the examination must cover the following subjects in particular:

- (a) - auditing,
 - analysis and critical assessment of annual accounts,
 - general accounting,
 - consolidated accounts,
 - cost and management accounting,
 - internal audit,
 - standards relating to the preparation of annual and consolidated accounts and to methods of valuing balance sheet items and of computing profits and losses,
 - legal and professional standards relating to the statutory auditing of accounting documents and to those carrying out such audits;

- (b) in so far as they are relevant to auditing:
 - company law,
 - the law of insolvency and similar procedures,
 - tax law,
 - civil and commercial law,
 - social-security law and law of employment,
 - information and computer systems,
 - business, general and financial economics,
 - mathematics and statistics,
 - basic principles of the financial management of undertakings.

With the exception of the Chartered Institute of Management Accountants in the United Kingdom, the members of which have no audit activities, all FEE Members Bodies reported that these subjects are included in the professional examination. Institutes in Austria, Germany, Ireland, Italy, Malta, Norway, Portugal, Slovenia and the United Kingdom reported that other subjects are also included in the professional examination.

Article 7.1. of the Eighth Directive enables EU Member States and in turn the relevant professional Institutes to exempt candidates who have passed a university or equivalent examination or hold a university degree or equivalent qualification in one or more of the subjects referred to in Article 6 from the test of theoretical knowledge in the subjects covered by that examination or degree. This exemption is currently applied in Belgium, France, Greece,

³ Derogations in article 7 of the Eighth Directive cannot be considered as exemptions since the condition is that the subject is already covered by a university degree or an equivalent qualification. (See below III.4.1.)

Ireland (ICPAI), Malta, The Netherlands, Norway, Spain, Sweden and the United Kingdom. However, this list may not be definitive as, in some countries, the Institute or the Government may subcontract the organisation of examinations to universities.

The Directive also allows an exemption from the requirement to do a stage monitored by the competent authorities (Institute or Government). Article 7.2. states: "By way of derogation from Article 5, a Member State may provide that a holder of a university degree or equivalent qualification in one or more of the subjects referred to in Article 6 may be exempted from the test of the ability to apply in practice his theoretical knowledge of such subjects when he has received practical training in them attested by an examination or diploma recognised by the State." This exemption is applied in fewer countries. Only France (CNCC), Ireland (ICAI), Malta, Sweden and the United Kingdom (ACCA) allow such an exemption in limited circumstances.

III.4.2. Authorities Responsible to Set the Rules and to Organise the Examination

In many cases Government, or an public institution, regulates the professional examination. This is the case in Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Luxembourg, Italy, The Netherlands, Norway, Poland, Spain and Sweden. The same applies, to a large extent, to the organisation of the examination; as explained in table 6, in many cases authorities or the education institutions rather than the professional Institutes are responsible for the final examination.

In many cases, professional Institutes have a role to play in the preparation and the organisation of the examinations. It should be borne in mind however that in most countries surveyed the fundamental conditions to use a professional title are defined by law or regulation. In the case of auditors, this is always the case in application of the Eighth EC Directive concerning the qualification of statutory auditors. Accordingly, where the accountancy and auditing profession is concerned, it is more accurate to refer to a monitored self-regulatory regime than a system of pure self-regulation.

TABLE 6: Institutions Responsible for Setting the Rules and Organising Professional Examinations

Member Bodies	Setting the rules	Conducting examinations
KWT & IWP – Austria	Parliament	Institute
IEC – Belgium	Legislation/Institute	Institute
IRE – Belgium	Legislation/Institute	Institute
FSR – Denmark	Ministry of Trade & Industry	Commission of Auditors
KHT – Finland	Parliament + Ministry of Trade and Industry	Auditing Board of the Central Chamber of Commerce
CNCC – France	Ministry of Justice	Institute
OEC – France	Ministry of Education	Ministry of Education
IDW – Germany	Legislation	In future Wirtschaftsprüferkammer
SOEL – Greece	Institute	Institute
ICAI – Ireland	Institute	Institute
ICPAI – Ireland	Institute	Institute
CNDC – Italy	Ministry Education or Justice (for auditors)	Universities
CNRPC – Italy	Ministry of University and Research (Ministry of Justice for auditors only)	Ministry of University and Research (Ministry of Justice for auditors only)
IRE – Luxembourg	Ministry of Justice	Ministry of Justice
OEC – Luxembourg	N/A	N/A
MIA – Malta	University + Institute	Institute/Universities
NIVRA – Netherlands	EBRA (*)	EBRA(*)
DNR – Norway	Ministry of Education + Kredittilsynet	Education Institutions
OROC – Portugal	Institute	Institute
IACJCE – Spain	ICAC (**)	ICAC (**)
FAR – Sweden	Revisorsnämnden	Revisorsnämnden
TK – Switzerland	OFFT (***) + Institute	Institute under supervision
ACCA – UK	Institute	Institute
CIMA – UK	Institute	Institute
CIPFA – UK	Institute	Institute
ICAEW – UK	Institute	Institute
ICAS – UK	Institute	Institute
KACR – Czech Republic	Ministry of Finance + Institute	Institute
MKVK – Hungary	Ministry of Finance + Institute	Ministry of Finance + Institute
KIBR – Poland	KRBR (****)	Examination committee KRBR
CECCAR – Romania	Institute	Institute + Ministry of Public Finance + Ministry of Justice
SIZR – Slovenia	Institute	?

- (*) The Netherlands EBRA: Examen Bureau Registeraccountants
 (***) Spain ICAC: Instituto de Contabilidad y Auditoria de Cuentas
 (***) Switzerland OFFT: Office Fédéral de la Formation Professionnelle et de la Technologie
 (****) Poland KRBR: Krajowa Rada Bieglych Rewidentów

III.4.3. Administration of the Examination

The examination format and process varies markedly across the countries surveyed. Not only the frequency of the examinations but also the method of examination are different. Table 7 and 8 illustrate this situation.

TABLE 7: Frequency and Cost of Examinations

Member Bodies	Frequency	Exemption of theoretical education	Exemption of practical training	Existence of fees
KWT & IWP – Austria	Half yearly	No	No	Yes
IEC – Belgium	Yearly	Yes	No	Yes
IRE – Belgium	Yearly	Yes	No	No
FSR – Denmark	Yearly	No	No	No
KHT – Finland	Yearly	No	No	Yes
CNCC – France	Yearly	Diplôme d'expertise comptable required	Min. 2 years with local professional	No
OEC – France	Half yearly	Partly	No	Yes
IDW – Germany	6 M or 1 Y	No	No	Yes
SOEL – Greece	6 M	No	No	Yes
ICAI – Ireland	Yearly	Yes	Yes	Yes
ICPAI – Ireland	Half yearly	Yes	No	Yes
CNDC – Italy	Half yearly	No	No	Yes
CNRPC – Italy	Half yearly (auditors 2/3 Y)	No	No	Yes
IRE – Luxembourg	Yearly	Yes	No	Yes
OEC – Luxembourg	No examination	N/A	No	
MIA – Malta	Half yearly	Yes	Yes	MIA Yes; Univ. No
NIVRA – Netherlands	Half yearly	Yes	No	Yes
DNR – Norway	Yearly	Graduates in law	No	Yes
OROC – Portugal	Yearly (or 2 Y)	No	No	Yes
IACJCE – Spain	2 / 3 Year	Yes	No	Yes
FAR – Sweden	Half yearly	Yes	Yes	Yes
TK – Switzerland	Yearly	No	No	Yes
ACCA – UK	Half yearly	Yes	No	Yes
CIMA – UK	Half yearly	Yes	No	Yes
CIPFA – UK	Half yearly	Yes	Partly	Yes
ICAEW – UK	5 sessions a year	Yes	No	Yes
ICAS – UK	5 sessions a year	No	No	Yes
KACR – Czech Republic	Half yearly	No	No	Yes
MKVK – Hungary	Every 4 months	Graduates in the law	No	Yes
KIBR – Poland	Quarterly	Yes (University exams)	No	Yes
CECCAR – Romania	Yearly	No	No	Yes
SIZR – Slovenia	Quarterly	No	No	No

TABLE 8: Method of Examination

Member Bodies	Written	Oral	Thesis	Multiple choice
KWT & IWP – Austria	X	X	X	
IEC – Belgium	X			X
IRE – Belgium	X	X	X	X
FSR – Denmark	X	X		
KHT – Finland	X			X
CNCC – France	X	X	Interim activity reports	
OEC – France	X	X	X	
IDW – Germany	X	X		
SOEL – Greece	X	X	X	
ICAI – Ireland	X			X
ICPAI – Ireland	X			X
CNDC – Italy	X	X		
CNRPC – Italy	X	X		In theory
IRE – Luxembourg	X	X	X	
OEC – Luxembourg	N/A			
MIA – Malta	X			X
NIVRA – Netherlands	X	X	X	X
DNR – Norway	X		X	
OROC – Portugal	X	X		
IACJCE – Spain	X			X
FAR – Sweden	X			X
TK – Switzerland	X	X		
ACCA – UK	X			X
CIMA – UK	X			X
CIPFA – UK	X	X	X	
ICAEW – UK	X			X
ICAS – UK	X	X		
KACR – Czech Republic	X	X		X
MKVK – Hungary	X	X		
KIBR – Poland	X	X (final)		X (some)
CECCAR – Romania	X	X	X	X
SIZR – Slovenia	X	X	X	X

Where unsuccessful candidates are concerned, in the majority of cases, there is provision for the examination to be re-taken. However, there are restrictions in some cases on the number of permitted re-sits. An appeal is also possible in most cases, while a distinction is sometimes drawn between an appeal in the case of failure and an appeal when an application is rejected on administrative grounds.

Table 9 illustrates the profile of successful candidates and provides information on the proportion of successful candidates, the average age and the ratio between men and women in the last ten years.

TABLE 9: Average Number and Age of Successful Candidates

Member Bodies	Average successful	Average age	M/F (%)
KWT & IWP – Austria	60/40 in a year	29 (tax advisor) / 33 (accountant)	65/35
IEC – Belgium	44%	28	73,5/26,5
IRE – Belgium	25%	30	50/50
FSR – Denmark	76%	31	80/20
KHT – Finland	20-45%	33	40/60
CNCC – France	Not available	35	Not available
OEC – France	60%	26-28	60/40
IDW – Germany	400 in a year	36	80/20
SOEL – Greece	100 in a year	36-38	50/50
ICAI – Ireland	540 in a year	25	
ICPAI – Ireland	(99) [169]	23-32	50/50
CNDC – Italy	20 %	27	70/30
CNRPC – Italy	25-30	26-27	72,2/27,8
IRE – Luxembourg	58%	27	54/46
OEC – Luxembourg	N/A	N/A	N/A
MIA – Malta	50 in a year	28	60/40
NIVRA – Netherlands	100	30	77/23
DNR – Norway	+/- 100	30	
OROC – Portugal	40	35-40	90/10
IACJCE – Spain	61	31	67/33
FAR – Sweden	Not available	Not available	Not available
TK – Switzerland	50/60	32	80/20
ACCA – UK	55%	25-30	56/44
CIMA – UK	38/40%	Not available	Not available
CIPFA – UK	390 in a year	29,5	57,1/42,9
ICAEW – UK	75%	26	64/36
ICAS – UK	70%	26	60/40
KACR – Czech Republic	78%	35-38	51,8/48,2
MKVK – Hungary	20	35	30/70
KIBR – Poland	30	35	33/67
CECCAR – Romania	N/A	23-40	45/55
SIZR – Slovenia	80 in a year	33	33/66

IV. REGISTRATION OF ACCOUNTANTS AND AUDITORS IN PUBLIC PRACTICE

IV.1. Professional and Functional Titles

The accountancy bodies are organised and structured differently in the countries covered by the survey. In some countries, a degree of specialisation has been introduced by law which restricts the scope of activities – most commonly, for example, the practice of statutory auditing. To have a clearer picture of the situation, a distinction needs to be made between two different types of titles:

- Educational title: this is conferred by a university or a professional body after obtaining the professional qualification;
- Functional title: this is granted to individuals who fulfil the conditions (including educational requirements) to practice a specific activity, for instance statutory auditing.

Membership of a professional body of accountants is associated with the use of a professional title, which is usually an educational title. FEE undertook a survey on professional titles in 1994. With a few exceptions, the law or equivalent provisions (regulations, orders, case law, etc.) protects all professional titles used in the countries surveyed. This protection, however, has, in principle, a national scope and does not exceed the borders of the country in which the title is conferred. Accordingly, the 1994 survey demonstrates that significant differences exist among the EU Member States in the sphere of activities of those allowed using the professional title.

Regulatory frameworks have a major influence on the national systems. In most cases local regulations also provide for a specific functional title for statutory auditors. However, different systems have been identified in practice whereby the functional title is:

- Automatically combined with the professional title (e.g. France, Germany, Greece, Portugal)
- Reserved to all the members of a professional Institute (e.g. Belgium, Luxembourg)
- Reserved to some members of a professional Institute who fulfil specific conditions and are registered in a special list held by this Institute (e.g. Czech Republic, Ireland, The Netherlands, the United Kingdom)
- Reserved to all the members of a professional Institute who needs to register in a file held by an official institution (e.g. Austria, Denmark, Italy, Norway, Sweden)
- Reserved to all approved accountants who are registered in a file held by an official institution and may be (not obligatory) members of a professional Institute (Finland, Spain).

To more clearly convey the situation, table 10 presents the list of professional titles used in the FEE Member Bodies and table 11 lists the functional titles applicable to statutory auditors.

TABLE 10: List of FEE Member Bodies and Professional Titles used in their Countries

Country	Professional title	Protected by law	Delivered by
Austria	Beeideter Wirtschaftsprüfer und Steuerberater	Yes	WTK
Belgium	Accountant / Expert-comptable	Yes	IEC
Belgium	Bedrijfsrevisor / Réviseur d'entreprises	Yes	IRE
Denmark	Statsautoriseret Revisor	Yes	Danish Commerce & Companies Agency
Finland	Keskuskauppakamarin hyväksymä tilintarkastaja (KHT) and Kauppakamarin hyväksymä tilintarkastaja (HTM)	Yes	Central Chamber of Commerce
France	Commissaire aux Comptes	Yes	CNCC
France	Expert-comptable	Yes	OEC
Germany	Wirtschaftsprüfer	Yes	WPK
Greece	Orkotos Eleqktis Loqistis	Yes	SOEL
Ireland	Chartered Accountant	Yes	ICAI
Ireland	Certified Public Accountant	Yes	ICPAI
Italy	Dottore Commercialista	Yes	CNDC
Italy	Ragioniere Commercialista	Yes	CNRPC
Luxembourg	Expert-comptable	Yes	Min. des Classes Moyennes
Luxembourg	Réviseur d'entreprises	Yes	Ministry of Justice
Malta	Accountant	Yes	MIA
Netherlands	Registeraccountant	Yes	NIVRA
Norway	Registret Revisor / Statautorisert Revisor	Yes	Kreddittilsynet
Portugal	Revisor Oficial de Contas	Yes	OROC
Spain	Auditor-censor Jurado de Cuentas	Yes	IACJCE
Sweden	Auktoriserad Revisor and Godkänd Revisor	Yes	Revisorsnämnden
Switzerland	Diplomierter Wirtschaftsprüfer/Expert comptable diplômé	Yes	OFIAMT
UK	Chartered Certified Accountant	Yes	ACCA
UK	Chartered Management Accountant	No	CIMA
UK	Chartered Public Finance Accountant	Yes	CIPFA
UK	Chartered Accountant	Yes	ICAEW/ICAS/ICAI
Czech Republic	Auditoru	Yes	KACR
Hungary	KONYVVIZGALOI	Yes	MKVK
Poland	Biegly Rewident	Yes	KRBR
Romania	Expertilor Contabili si Contabililor Autorizati - Expert accountants; authorised accountants	Yes	CECCAR
Slovenia	Certified auditor, auditor, certified valuator, verified internal auditor, verified accountant, verified business finance expert, verified information systems' auditor, verified tax consultant	Yes	SIZR

TABLE 11: List of Functional Titles used by Statutory Auditors

Country	Title used by statutory auditors	Protected by law	Delivered by
Austria	Beeideter Wirtschaftsprüfer und Steuerberater	Yes	WTK
Belgium	Commissaire / commissaris	Yes	IBR/IRE
Denmark	Statsautoriseret Revisor	Yes	Danish Commerce & Companies Agency
Finland	Keskuskauppakamarin hyväksymä tilintarkastaja (KHT) and Kauppakamarin hyväksymä tilintarkastaja (HTM)	Yes	Central Chamber of Commerce
France	Commissaire aux Comptes		CNCC
Germany	Wirtschaftsprüfer	Yes	WPK
Greece	Orkotos Elektis Logistis	Yes	SOEL
Ireland	Registered Auditor	Yes	DETE
Italy	Revisore Contabile	Yes	Ministry of Justice
Luxembourg	Réviseur d'entreprises	Yes	Ministry of Justice
Malta	Accountant	Yes	MIA
Netherlands	Registeraccountant	Yes	NIVRA
Norway	Registret Revisor / Statautorisert Revisor	Yes	Kreddittilsynet
Portugal	Revisor Oficial de Contas	Yes	OROC
Spain	Auditor de cuentas	Yes	ICAC
Sweden	Auktorisserad Revisor and Godkänd Revisor	Yes	Revisorsnämnden
Switzerland			
UK	Registered Auditor	Yes	DTI
Czech Republic	Auditoru	Yes	KACR
Hungary	KONYVVIZGALOI	Yes	MKVK
Poland	Biegły Rewident	Yes	KRBR
Romania			
Slovenia	Certified auditor	Yes	

IV.2. Preliminary Registration Requirements

In section III of the study pre-qualification requirements were discussed. In most countries, laws or regulations, and in some cases the constitution (or by-laws) of the Institute lay down additional conditions that are not directly connected with qualification. Table 12 and 13 list such additional requirements which concern registration, taking an oath, authorisation by a public body and insurance cover for professional liability purposes.

TABLE 12: Requirements to Become a Member of the Local Institute

Member Bodies	Entry in register	Residence	Insurance
KWT & IWP – Austria	Yes	No, but in EEA	Yes
IEC – Belgium	Yes	Professional location	Yes
IRE – Belgium	Yes	Professional location	Yes
FSR – Denmark	Yes	No	Yes
KHT – Finland	Yes	No	No
CNCC – France	Yes	Professional location	Yes
OEC – France	Yes	Yes	Yes
IDW – Germany	No	No	Yes
SOEL – Greece	Yes	Professional location	Yes, only for auditors
ICAI – Ireland	Yes	No	Yes, if in practice
ICPAI – Ireland	No	No	Yes, if in practice
CNDC – Italy	Yes	Professional location	No
CNRPC – Italy	Yes	Professional location	No
IRE – Luxembourg	Yes	Professional location	No
OEC – Luxembourg	Yes	No	No
MIA – Malta	No	No	No
NIVRA – Netherlands	Yes	No	Yes (auditors)
DNR – Norway	Yes/No	No, but in EEA	Yes
OROC – Portugal	Yes	Yes	Yes
IACJCE - Spain	Yes	Yes	Yes
FAR – Sweden	Yes	No, but in EEA	Yes
TK – Switzerland	Yes	No	No
ACCA – UK	Yes	No	Yes, if audit and insolvency
CIMA – UK	No	No	No
CIPFA – UK	No	No	No
ICAEW – UK	Yes	No	Yes, if in practice
ICAS – UK	Yes	No	Yes, if in practice
KACR – Czech Republic	Yes	No	Yes
MKVK – Hungary	Yes	No	Yes
KIBR – Poland	Yes	No	Yes, if in practice
CECCAR – Romania	Yes	Yes	Yes
SIZR – Slovenia	Yes	No	Yes (auditors)

TABLE 13: Additional Requirements for Membership

Member Bodies	Public Appointment	Oath	Authorisation by Ministry	Authorisation by another public authority
KWT & IWP – Austria	Yes	Yes	Yes	No
IEC – Belgium	No	Yes	No	No
IRE – Belgium	No	Yes	No	No
FSR – Denmark	Yes	Yes	No	Yes
KHT – Finland	No	Yes	No	Yes
CNCC – France	No	Yes	Yes	No
OEC – France	No	Yes	Yes	No
IDW – Germany	Yes	Yes	Yes	No
SOEL – Greece	Yes	Yes	No	No
ICAI – Ireland	No	No	No	No
ICPAI – Ireland	No	No	No	No
CNDC – Italy	No	No	No	No
CNRPC – Italy	No	No	No	No
IRE – Luxembourg	No	No	Yes	No
OEC – Luxembourg	No	No	Yes	No
MIA – Malta	No	No	No	No
NIVRA – Netherlands	Yes	No	No	Yes
DNR – Norway	No	No	No	Yes
OROC – Portugal	Yes	No	No	No
IACJCE – Spain	Yes	Yes	No	Yes
FAR – Sweden	Yes	No	Yes	No
TK – Switzerland	Yes	No	No	No
ACCA – UK	No	No	No	No
CIMA – UK	No	No	No	No
CIPFA – UK	No	No	No	No
ICAEW – UK	No	No	No	No
ICAS – UK	No	No	No	No
KACR – Czech Republic	No	Yes	No	No
MKVK – Hungary	No	Yes	No	No
CECCAR – Romania	No	Yes	No	No
SIZR – Slovenia	No	No	No	No

Membership of an Institute in many cases carries with it restrictions on the scope of activities. In some countries, when registered, a professional accountant or auditor must renounce employment in either the public or private sector, as a public servant or as a company's executive director. This general prohibition is not directly linked to independence rules. Whatever the rationale for the prohibition, it is a condition of membership. Table 14 summarises the prohibitions imposed in certain countries on accountants in public practice, whether sole practitioners or working in a firm. This table does not address the specific requirements concerning the relationships between the auditor and his client.

TABLE 14: Prohibitions concerning Accountants in Public Practice

Member Bodies	Public servants	Executive Director	Non Executive Director	Member of another regulated profession
KWT & IWP – Austria	No	No	No	No
IEC – Belgium	No	No	Yes	No
IRE – Belgium	Yes	Yes	Yes	No
FSR – Denmark	Yes	Yes	Yes	Yes
KHT – Finland	No	No	No	No
CNCC – France	Yes	Yes	Yes	Yes
OEC – France	Yes	Yes	Yes	Yes
IDW – Germany	Yes	Yes	Yes	No
SOEL – Greece	Yes	Yes	Yes	Yes
ICAI – Ireland	No	No	No	No
ICPAI – Ireland	No	No	No	No
CNDC – Italy	No	No	No	Yes (some)
CNRPC – Italy	Yes	No	No	Yes (some)
IRE – Luxembourg	Yes	Yes	No (but never employment contract)	Yes
OEC – Luxembourg	Yes	Yes	No	Yes
MIA – Malta	No	No	No	No
NIVRA – Netherlands	No			No
DNR – Norway	No	No	No	No
OROC – Portugal	No	Yes	No	No
IACJCE – Spain	No	No	No	No
FAR – Sweden	No	No	No	No
TK – Switzerland	No	No	No	No
ACCA – UK	No	No	No	No
CIMA – UK	No	No	No	Yes
CIPFA – UK	No	No	No	No
ICAEW – UK	No	No	No	No
ICAS – UK	No	No	No	No
KACR – Czech Republic	Yes	Yes	Yes	Yes
MKVK – Hungary	Yes	Yes	Yes	Yes
KIBR – Poland	No	Yes	Yes	Yes
CECCAR – Romania	Yes	Yes	Yes	Yes
SIZR – Slovenia	Yes	Yes	Yes	-

In all countries surveyed the defining characteristic of a regulated profession is that its members cannot carry out any activity that could jeopardise their independence and the confidence that third parties place in their integrity. These principles are indeed put forward in the code of ethics of the International Federation of Accountants.

In some countries, the professional Institute include within their membership members in public practice and member in business or in Government. This can be seen in table 1 which identifies the different categories of members. In the countries where only professional accountants and auditors in public practice (individual self-employed accountants or accounting firms) are included in the membership lists, they will be usually prevented from accepting any employment in a commercial company or from running commercial activities. This does not apply to activities in education.

In certain countries, separate bodies have been established to register accountants and auditors. In most cases however the local legislation does not prevent the auditor from being affiliated to the Institute of Accountants at the same time.

In Italy, qualified accountants employed as civil servants may retain their membership of the local Institute when also working in public practice on a part-time basis to the extent permitted by the relevant laws and regulations applicable to public servants. Dottori Commercialista seems however to have a more restrictive approach to this situation.

V. RECOGNITION OF PROFESSIONAL QUALIFICATIONS

V.1. *General Provisions for Accountants*

As indicated above, FEE's position with regard to qualified accountants seeking to practice outside of their country of qualification is based on two tenets:

- a) The migrant should be registered with the local Institute or authorities and
- b) Should use the local title after demonstrating through an aptitude test that he is able to deliver a competent service to clients.

Table 15 specifies the special procedures which exist for the mutual recognition of diploma/qualifications when an accountant wishes to establish or to provide services in another European country.

It is interesting to observe that in most cases a special procedure exists to register foreign accountants wishing to establish whereas the situation is less clear in the case of provision of services.

It is also interesting to observe that the registration of foreign accountants usually implies that these professionals will be registered in the normal list of members. Only two Institutes hold a special list for foreign accountants (IEC Belgium, ICAEW United Kingdom).

Conditions for registration include in most cases an additional examination or aptitude test. Experience is also verified but usually experience in the home country is accepted as equivalent; no experience is required in the host country. The same applies to other requirements to be registered in the country, such as insurance for example. In two countries only an additional requirement exists which is in fact a matter of procedure: the candidate must apply to Government to obtain a special authorisation before being admitted as a member of the Institute.

Even if some arguments could be used to defend a specific system for statutory auditors and other similarly regulated activities, in practice the mutual recognition of qualifications has been largely organised in the same way for accountants and auditors. Qualification requirements are broadly equivalent amongst the FEE members, based on the principles of the Eighth Directive harmonising the qualification of statutory auditors.

TABLE 15: Does your Country Have a Special Procedure(*) to Register Foreign Accountants?

Member Bodies	Establishment from EU Member State	Cross border provision of services from a EU Member State	Non EU
KWT & IWP - Austria	Yes	No	No
IEC – Belgium	Yes	Yes	If reciprocity
IRE – Belgium	Yes	Yes	If reciprocity
FSR – Denmark	Yes	No	No
KHT – Finland	Yes	Yes	No
CNCC – France	Yes	No	Yes
OEC – France	Yes	Yes	Yes
IDW – Germany	Foreign accountants may become extraordinary member provided they are in management of a German audit firm.	Idem	Idem
SOEL – Greece	Yes, for auditors	No	N/A
ICAI – Ireland	Yes	No	Yes
ICPAI – Ireland	Yes	Yes	Yes
CNDC – Italy	Yes	No	Yes
CNRPC – Italy	Yes	No	Yes
IRE – Luxembourg	Yes	No	If reciprocity
OEC – Luxembourg	No	No	No
MIA – Malta	No	No	No
NIVRA – Netherlands	Yes	No	Yes
DNR – Norway	No	No	No
OROC – Portugal	Yes	No	No
IACJCE – Spain	Yes	No	No
FAR – Sweden	Yes	Yes	Yes
TK – Switzerland	Yes	Yes	Yes
ACCA – UK	Yes	Yes	Yes
CIMA – UK	No	No	No
CIPFA – UK	No	No	No
ICAEW – UK	Yes	Yes	Yes
ICAS – UK	No	No	No
KACR – Czech Republic	Yes	Yes	Yes
MKVK – Hungary	No	No	No
KIBR – Poland	Yes	Yes	Yes
CECCAR – Romania	Yes	Yes	Yes
SIZR – Slovenia	Yes	Yes	Yes

(*) It was considered that a Country has a special procedure when the law or regulation provides a system which is different from the regime applicable to nationals. The aptitude test is, in that respect, a special procedure

V.2. Specific Regulations for Statutory Auditors

As indicated in section II of this survey (II.2.), the accountancy profession is covered by Directive 89/48/EEC relating to a general system of mutual recognition of higher-education diplomas. When there is substantial differences in the qualification requirements between the home and the host Member State, the host Member State can require compensation measures in the form of an aptitude test or an adaptation period. This is also applied to auditors as far as the knowledge of the local laws and regulations is concerned.

In its position paper on the Liberalisation of the Accountancy Profession, FEE pointed out that, for practical reasons, the aptitude test is the least onerous mechanism possible for the free movement of professional accountants. This is the reason why all Member States have decided to apply the aptitude test rather than any other compensation measure. The mutual recognition of diplomas deals with professionals who are already qualified in their Member States of origin, in other words, professionals who, on completion of their studies and practical training, are already involved in active practice. To subject these professionals to an adaptation period in a host country will require some form of training, without the individual being able to assume full responsibility for his/her work, as he/she does in his country of origin.

Table 15 illustrates that, in most Member States, a special procedure exists to register foreign accountant duly authorised in his/her home EU Member State wishing to establish or to provide services in another EU Member State. It is assumed that such a special procedure exists as soon as the applicant is not submitted to the same examinations as local students or trainees. No marked difference has come to light concerning the body responsible for setting the rules and/or for conducting the examination.

Table 16 and 17 survey the conditions for applying for membership in the European Countries and the content of the examination. Amongst the Member States of the European Union, the examination is usually an aptitude test limited to the knowledge of local tax, commercial and company law and professional rules.

Knowledge of the local language is necessarily a prerequisite to pass the aptitude test since the test is set in this language. Language capacity is an integral and therefore not an additional condition, and should not be the subject of a separate test.

It is extremely important that the aptitude test is applied reasonably by the competent authorities in the Member States and does not become a barrier to free movement of persons by adding requirements that are not directly connected with the knowledge of local laws and regulations necessary to perform accounting and auditing services in the host Member State, as mentioned in the Directive.

TABLE 16: Conditions Required from Foreign Accountants Applying for Membership

Member Bodies	Equivalent home qualification	Prove Reciprocity	Private Residence	Examination or aptitude test
KWT & IWP – Austria	Yes	EU presumed		Yes
IEC – Belgium	Yes	EU presumed	No	Yes
IRE – Belgium	Yes	EU presumed	No	Yes
FSR – Denmark	Yes	EU presumed	No	Yes
KHT – Finland	Yes	EEA presumed	No	Yes
CNCC – France	University degree or a professional title and enjoying benefit of full practising rights			Yes
OEC – France	Yes	EU presumed	Yes	Yes
IDW – Germany	Yes	EU presumed	No	As nationals except EU
SOEL – Greece	Yes			Yes, only for auditors
ICAI – Ireland	Yes	EU presumed	No	Yes
ICPAI – Ireland	Yes	EU presumed		As nationals
CNDC – Italy	Yes			
CNRPC – Italy	Yes	EU presumed		As nationals
IRE – Luxembourg	Yes	EU presumed	No	Yes
OEC – Luxembourg	Yes	EU presumed	No	No
MIA – Malta	N/A		No	Yes
NIVRA – Netherlands	Yes	EU presumed	No	Yes
DNR – Norway	Decision Kredittilsynet	EEA presumed	In the EEA	Yes.
OROC – Portugal	Yes	EU presumed		
IACJCE – Spain	Yes	EU presumed	Yes	Yes
FAR – Sweden				
TK – Switzerland	Yes	No	Main occupation in CH	As nationals
ACCA – UK	Yes	EU presumed	No	Yes
CIMA – UK		EU presumed		Yes
CIPFA – UK	N/A	N/A	N/A	N/A
ICAEW – UK	Yes	EU presumed	No	Yes
ICAS – UK	Yes	EU presumed	No	Yes
KACR – Czech Republic	Yes	Yes, bilateral agreement necessary	No	Yes
MKVK – Hungary	Yes	Yes, bilateral agreement necessary	Yes	No
KIBR – Poland	Yes	Yes		Yes
CECCAR – Romania	Yes	No	Yes	Yes
SIZR – Slovenia				

TABLE 17: Official Documents to be Provided by the Applicant

Member Bodies	Copy of diplomas	Attest of membership	Attest of integrity	Address in the country	Others
KWT & IWP – Austria	Yes	Yes	Yes	Yes	
IEC – Belgium	Yes	Yes	Yes	Yes	Liability insurance
IRE – Belgium	Yes	Yes	Yes	Yes	Attest of birth and nationality
FSR – Denmark	No	No	No	No	
KHT – Finland	Yes	No(*)	Yes	No(*)	
CNCC – France	Yes	Yes	Yes	Yes	
OEC – France	Yes	Yes	Yes	Yes	
IDW – Germany	Yes	No	No	No	
SOEL – Greece	Yes			Yes, only for auditors	Yes
ICAI – Ireland	Yes	Yes	Yes	No	
ICPAI – Ireland	Yes	Yes	Yes	No	
CNDC – Italy	Yes	Yes	No	Yes	Attest of Nationality
CNRPC – Italy	Yes	Yes	No	Yes	Attest of Nationality
IRE – Luxembourg	No	Yes	No	Yes	Attest social status
OEC – Luxembourg	Yes	Yes	No	No	Establishment authorisation + attest of independence
MIA – Malta					
NIVRA – Netherlands	Yes	Yes	No	Yes	Yes
DNR – Norway	<u>Confirmed copy</u>	Not relevant	Attest of honest economic behaviour	Yes (may be provided after registration)	Liability insurance
OROC – Portugal	Yes	Yes	Yes	Yes	
IACJCE – Spain	Yes	No	No	Yes	Liability insurance
FAR – Sweden					
TK – Switzerland	Yes	No	Yes	Yes	Evidence of praxis
ACCA – UK	Yes	Yes			
CIMA – UK	N/A	N/A	N/A	N/A	
CIPFA – UK	N/A	N/A	N/A	N/A	
ICAEW – UK		Yes	Yes		
ICAS – UK	No	Yes	Yes	No	
KACR – Czech Republic	No	Evidence of authority to provide audit services in home country	Yes	No	
MKVK – Hungary	N/A	N/A	N/A	N/A	
KIBR - Poland	Yes	Yes	Yes	Yes	
CECCAR – Romania	Yes	Yes	No	Yes	
SIZR – Slovenia					

(*) Except when the applicant is not authorised in an ETA Member State.

TABLE 18: Organisation of the Examination or Aptitude Test

Member Bodies	FEE Member Body provides information	Frequency of examinations	Fee	Method of examination aptitude test	Method of examination non EU
KWT & IWP – Austria	Yes	Half yearly	Yes	Special	As nationals
IEC – Belgium	Yes	On demand	Yes	Special	As nationals
IRE – Belgium	Yes	On demand	Yes	Special	Special
FSR – Denmark	No	On demand	No	Special	As nationals
KHT – Finland	No	Yearly	Yes	As nationals	As nationals
CNCC – France	Yes	Yearly	No	Special	Special
OEC – France	Yes	At least yearly	Yes	Special	Special
IDW – Germany	Yes	Yearly	Yes	Special	As nationals
SOEL – Greece	Yes	6 months	Yes	Special	N/A (only for auditors)
ICAI – Ireland	Yes	Reciprocal applicants: Quarterly	Yes	Special	Elements of examinations by nationals
ICPAI – Ireland	No	Quarterly	Yes	As nationals	As nationals
CNDC – Italy	No	On demand	No	Special	
CNRPC – Italy	Yes	On demand	Yes	Special	As nationals
IRE – Luxembourg	No	As nationals	No	As nationals	As nationals
OEC – Luxembourg	N/A			N/A	N/A
MIA – Malta	No	Half yearly	Yes	As nationals	As nationals
NIVRA – Netherlands	No	Half yearly or on demand	Yes	Special	Special
DNR – Norway	No	Yearly	No	As nationals	As nationals
OROC – Portugal	Yes	Yearly	Yes	Special	?
IACJCE – Spain	Yes	On demand	Yes	Special	N/A
FAR – Sweden	No	Half yearly in practice on demand	Yes	Special	?
TK – Switzerland	No	Yearly	Yes	As nationals	As nationals
ACCA – UK	Yes	Half yearly	yes	As nationals	As nationals
CIMA – UK	No	Half yearly	Yes	As nationals	As nationals
CIPFA – UK	N/A	N/A	N/A	N/A	N/A
ICAEW – UK	Yes	Half yearly	Yes	Special	Special
ICAS – UK	Yes	Half yearly	Yes	As nationals (and oral test)	As nationals (and oral test)
KACR – Czech Republic	Yes	On demand	Yes	Special	Special
MKVK – Hungary	No	N/A	N/A	N/A	N/A
KIBR – Poland	No (not yet)	On demand	Yes	Special	Special
CECCAR – Romania	Yes	Yearly	Yes	As nationals	As nationals
SIZR – Slovenia	No	As domestic = quarterly	Not 1 st time	As nationals	As nationals

TABLE 19: Content of the Aptitude Test or Examination for Mutual Recognition

Member Bodies	Accountant EU	Auditor EU	Non EU auditors
KWT & IWP – Austria	Legal subjects	Legal subjects	Like nationals except EEA like EU
IEC – Belgium	Belgian law	N/A	N/A
IRE – Belgium	N/A	Legal subjects	Legal subjects
FSR – Denmark	N/A	Commercial law -Tax- Accounting and Auditing rules and practice	Accounting and Auditing rules and practice
KHT – Finland	N/A	Legal + professional + technical standards	Legal + professional + technical standards
CNCC – France	N/A	Legal subjects	Subjects are chosen by the minister of Justice
OEC – France	N/A		
IDW – Germany	N/A	Tax-Commercial-Professional laws	Like nationals
SOEL – Greece	N/A	Legal subjects	N/A
ICAI – Ireland	Company law, Financial Accounting, Auditing, Tax	Professional Three Tax, Company Law Module	Professional Three Tax, Company Law Module
ICPAI – Ireland	N/A	Tax-Company Law	Tax-Company Law
CNDC – Italy	Italian law	Italian law	Italian law
CNRPC – Italy	Italian law	Italian law	Italian law
IRE – Luxembourg	N/A	Tax law, commercial law Banking law and law related to insurance	9 topics including legal matters, accounting and ethics
OEC – Luxembourg	N/A	N/A	N/A
MIA – Malta	Technical + law	Technical + law	Technical + law
NIVRA – Netherlands	Civil law -Tax-Rules on annual accounts- Professional rules	Civil law -Tax-Rules on annual accounts- Professional rules	Civil law -Tax-Rules on annual accounts- Professional rules
DNR – Norway	N/A	Tax + general law	Idem
OROC – Portugal	N/A	Tax-Company law	N/A
IACJCE – Spain	N/A	Legal + ethical	N/A
FAR – Sweden	N/A	Local law	Same as nationals
TK – Switzerland	N/A	N/A	N/A
ACCA – UK	Tax, Company Law, + oral aptitude	Tax, Company Law + oral aptitude	Tax, Company Law + oral aptitude
CIMA – UK	All subject EC or other qualification / degree	N/A	N/A
CIPFA – UK	N/A	N/A	N/A
ICAEW – UK	Commercial, company law & tax Profession. standards	Commercial, company law & tax Profession. standards	Commercial, company law & tax Profession. standards
ICAS – UK	Tax + Business law	Tax + Business law	Tax + Business law
KACR – Czech Republic	N/A	Law + local accounting	Law + local accounting
MKVK – Hungary	N/A	N/A	N/A
KIBR – Poland	N/A	Polish economic Law	Polish Economic Law
CECCAR – Romania	Technical/Legal/ Professional	Legal and Professional	N/A
SIZR – Slovenia	Not regulated	Language + Law	Language + Law

TABLE 20: Position of Unsuccessful Candidates

Member Bodies	Possible new participation	Existence of procedures	Appeal possible on rejection	Appeal on failure
KWT & IWP – Austria	No limit	N/A	Yes	No
IEC – Belgium	Yes	No	Yes	Yes
IRE – Belgium	Yes	No	Yes	Yes
FSR – Denmark	No limit	N/A	No	No
KHT – Finland	No limit	N/A	Yes	Yes
CNCC – France	No	-	No	No
OEC – France	No limit	Yes	Yes	Yes
IDW – Germany	Yes	Yes	Yes	Yes
SOEL – Greece	Yes	N/A	N/A	N/A (for auditors only)
ICAI – Ireland	No	No regulations are in place to cover this point	No	No
ICPAI – Ireland	Yes	= Nationals	Yes	Yes
CNDC – Italy	Yes	No	Yes	No
CNRPC – Italy	Yes	No	Yes	No
IRE – Luxembourg	No limit	N/A	Yes	No
OEC – Luxembourg	No examination	N/A	N/A	N/A
MIA – Malta	Yes	Time limit	Yes	Yes
NIVRA – Netherlands	Yes	No	Yes	Yes
DNR – Norway	No limit	N/A	Yes	No
OROC – Portugal	No limit	N/A	Yes	Yes
IACJCE – Spain	Yes	Yes	Yes	Yes
FAR – Sweden				
TK – Switzerland	Yes	3X	Yes	Yes
ACCA – UK	No limit	N/A	Yes	Yes
CIMA – UK	No limit	N/A	Yes	Yes
CIPFA – UK	No Limit	Yes	Yes	Yes
ICAEW – UK	No limit	N/A	Yes	Yes
ICAS – UK	Yes	2X	No	No
KACR – Czech Republic	Yes	No	Yes	Yes
MKVK – Hungary	N/A	N/A	N/A	N/A
KIBR – Poland	No limit	N/A	Yes	Yes
CECCAR – Romania	No limit	No	Yes	Yes
SIZR – Slovenia	Yes	3X	Yes	Yes

TABLE 21: Statistics 1996-2000

Member Bodies	Applications received	Admissions	Observation
KWT & IWP – Austria	1 auditor / 6 accountants	1 auditor / 3 accountants	
IEC – Belgium	4	3	2000-2001
IRE – Belgium	5	4	1999 – 2001 only
FSR – Denmark	0	0	
KHT – Finland	0	0	1 enquiry, no applications
CNCC – France	?	?	
OEC – France	Average 10/15 per year	Average 5/6 per year	
IDW – Germany	Not available	Not available	
SOEL – Greece	6 (auditors)	4 (auditors)	
ICAI – Ireland	2	1	Non EU candidates
ICPAI – Ireland	9	9	
CNDC – Italy	Not available	Not available	
CNRPC – Italy	N/A	N/A	
IRE – Luxembourg	Not available	Not available	
OEC – Luxembourg	Not available	Not available	
MIA – Malta	-	-	-
NIVRA – Netherlands	7	3	
DNR – Norway	15	2	4 under consideration
OROC – Portugal	4	4	
IACJCE – Spain	12	9	From 1997
FAR – Sweden	?	?	
TK – Switzerland	N/A	N/A	
ACCA – UK	43	27	
CIMA – UK	0	0	
CIPFA – UK	N/A	N/A	
ICAEW – UK	50	42	
ICAS – UK	1	12(*)	No record of enquiries
KACR – Czech Republic	0	0	No bilateral agreement approved so far
MKVK – Hungary	N/A	N/A	
KIBR – Poland	18	11	
CECCAR – Romania	92	77	
SIZR – Slovenia	0	0	

(*) Covers applicants from outside the EU

APPENDIX 1

QUESTIONS USED TO PREPARED THE SURVEY

A. BACKGROUND INFORMATION ABOUT THE INSTITUTES AND ITS MEMBERS

- 1) How many individuals are members of your body? (At 31.12.2000)
- 2) At 31/12/2001, how many of these individuals work:
 - a. In public practice (self employed or professional firms)?
 - b. In commerce and industry (employees)?
 - c. In government and local constituencies (public servants)?

B. PRE-QUALIFICATION EDUCATION REQUIREMENT

B.1. EDUCATIONAL BACKGROUND

- 1) Is a University degree required of those wishing to commence the period of practical training for the profession? YES/NO
If yes, how many years is necessary to achieve the minimum program?
- 2) Is it an alternative route? YES/NO
If yes, please describe shortly.
- 3) Is the number of places available to those who wish to commence training for the profession limited? YES/NO
If yes, please describe shortly.
- 4) Apart from the school, university or other examinations referred to in 1. above, are candidates obliged to pass any specific accountancy-related "entrance examinations" before they can commence training? YES/NO

B.2. OTHER REQUIREMENTS LINKED TO TRAINING (STAGE)

- 1) Must a candidate complete a certain minimum period of practical experience before being admitted to the profession? YES/NO
If yes, how long is the mandatory period of practical training?
- 2) Is any minimum age specified for the commencement of training? YES/NO
 - Under university route: minimum age?
 - Under alternative route: minimum age?
- 3) What is the normal age at which training commences?
 - Under university route: average age?
 - Under alternative route: average age?
- 4) Is a minimum age specified for those entering the profession? YES/NO
- 5) What is the normal age at which candidates end their training period?
- 6) What form must this practical training take?

- 7) How is the period of practical training monitored?
- 8) If it is a monitored practical training period, is it possible to grant exemption if specific circumstances are encountered? YES/NO
If yes, please explain.
- 9) Are trainees following the normal route to the professional qualification in your country allowed to obtain some of their training abroad? YES/NO
- 10) If yes, what condition, if any, must be fulfilled?
- 11) How is the period of practical training monitored?
- 12) How long is the period of practical training in a EU Member State that can be included in the mandatory period?
- 13) How long is the period of practical training outside the EU that can be included in the mandatory period?
- 14) Is the participation to training courses required from those who want to pass the professional examination? YES/NO
- 15) Are the additional courses required within the training period to pass the professional examinations; are these courses:
- Full time? YES/NO
 - Outside working hours? YES/NO
 - Partly during, partly outside working hours? YES/NO
 - Attendance at courses for one day a week? YES/NO
 - "Block release" for periods of two or three weeks at a time? YES/NO
 - Correspondence courses? YES/NO
- 16) By whom are these courses organized and administrated?
- The professional institutes YES/NO
 - Universities YES/NO
 - High Schools; Educational Establishments YES/NO
 - Private tutorial firms YES/NO
- 17) Do the training courses organised in your country cover **other topics** than those listed in the Eighth Directive (i.e. Auditing, Analysis of annual accounts, General accounting, Consolidated annual accounts, Cost and management accounting, Internal control, Accounting standards, Auditing standards, Law, Information and computer systems, Business, general and financial economics, Mathematics and statistics, Financial management? YES/NO
If yes, would you please list these topics?

B.3. PROFESSIONAL EXAMINATION

- 1) Which body, organisation or government agency is responsible for **setting the regulations** governing the professional examination system?
- a. For accountants
 - b. For statutory auditors
 - c. For foreign accountants/auditors
- 2) Which body, organisation or government agency is responsible for **conducting the professional examinations**?

- a. For accountants
 - b. For statutory auditors
 - c. For foreign accountants/auditors
- 3) How often are professional examinations held?
 - 4) Must candidates sitting the professional examinations pay a fee for doing so? YES/NO
 - 5) Are all subjects mentioned in article 6 of the Eighth Directive covered by the examinations (see question II.C.4. above)? YES/NO
If not, please explain.
 - 6) Which of the subjects mentioned earlier in II B 4 are covered by the examinations? Are any additional subjects included?
 - 7) To what extent, and under which circumstances, are university graduates and holders of a similar technical school diploma exempt from all or part of the professional examination?
 - a. Theoretical knowledge
 - b. Ability to apply theoretical knowledge in practice
 - 8) To what extent do the professional examinations make use of the following methods of examination?
 - a. Written YES/NO
 - b. Oral YES/NO
 - c. Thesis YES/NO
 - d. Multiple choice questions YES/NO
 - 9) Is there any limitation on the number of times a candidate may sit the professional examination, or part thereof? YES/NO
 - 10) May a candidate submit an appeal against the rejection of his application to sit for an examination, or against his failure to pass an examination? YES/NO
If so, with whom must the appeal be lodged, and what are the appeal procedures?
 - 11) In the last 5 years how many candidates presented the last proof to be admitted on the list?
 - 12) Based on the last 5 years what is the **average number** of successful candidates admitted to the profession each year?
 - 13) Based on the last 5 years what was the average **breakdown male/female** of successful candidates?
M = ...%; F = ...%

C. REGISTRATION OF ACCOUNTANTS AND AUDITORS IN PUBLIC PRACTICE

- 1) What is the professional title used by members of your body?
- 2) Does law protect this title? YES/NO
- 3) Is membership of your body compulsory to use that title? YES/NO
- 4) What is the professional title used by statutory auditors?
- 5) Does law protect this title? YES/NO
- 6) Which body is delivering that title?

- a. Is your Institute officially recognised to deliver the approval? YES/NO
- b. Is another *private* body officially recognised to deliver the approval?
Please give the name of this body. YES/NO
- c. Is it necessary to get an approval from a **governmental** agency?
Please give the name of this body. YES/NO
- 7) Must a successful candidate accountant fulfil any additional requirements before being permitted to use the professional title? Such requirements could include:
- a. Entry in an official or professional register YES/NO
- b. Having a residence in the country YES/NO
- c. Subscription of an indemnity insurance YES/NO
- d. Public Appointment YES/NO
- e. Taking an official oath YES/NO
- f. Authorization by the Ministry YES/NO
- g. Authorization by another public authority YES/NO
- 8) When an accountant is in public practice (self employed or in a professional firm) is he submitted to prohibitions like:
- a. Being a public servants YES/NO
- b. Being an executive director of a company (other than a professional firm) YES/NO
- c. Being a non executive director of a company (other than a professional firm) YES/NO
- d. Being a member of another regulated profession YES/NO
- e. Others
- 9) When a member of your Institute wants to be approved as a statutory auditor of annual accounts and consolidated accounts, is there any **additional** requirements like:
- a. Examination YES/NO
- b. Experience YES/NO
- c. Taking an official oath YES/NO
- d. Insurance of professional liability YES/NO
- e. Registration on a public register (other than the list of the Institute) YES/NO
- f. Other
- 10) Do you have any prohibition in your country preventing the auditor to be:
- a. A public servant YES/NO
- b. An executive director of a company (other than a professional firm) YES/NO
- c. An non executive director of a company (other than a professional firm) YES/NO
- d. A member of another regulated profession YES/NO
- e. Other incompatibilities other than those linked to independence

D. RECOGNITION OF PROFESSIONAL QUALIFICATIONS

D.1. PRINCIPLES

- 1) Does your Institute have a special procedure to register foreign accountants?
- a. From an EU country asking to establish YES/NO
- b. From an EU country asking to practice without being established YES/NO
- c. From a NON-EU country YES/NO
- 2) If a foreign accountant wants to become a member of your Institute does he need:
- a. To pass an examination YES/NO
- b. To prove experience YES/NO

- c. To be resident in the country YES/NO
d. To subscribe for an indemnity insurance YES/NO
e. Other
- 3) Does your Institute have a separate category of members where the foreign accountants are registered?
- a. When they are resident in the country YES/NO
b. When they are not resident in the country YES/NO
c. If yes, is the professional title different YES/NO
- 4) Which body is officially recognised to approve and register a statutory auditor having obtained his qualification in another country?
- a. Your Institute YES/NO
b. Another private body(ies) YES/NO
Please give the name of this(ese) body (ies).
c. A governmental agency YES/NO
Please give the name of this body.
- 5) If an accountant qualified in a Member State of the EU wants to be approved as a statutory auditor, does he need to:
- a. Demonstrate an equivalent home qualification YES/NO
b. Pass an aptitude test or an examination YES/NO
c. Follow an adaptation period YES/NO
d. Be resident in the country YES/NO
e. Take an official oath YES/NO
f. Cover his/her professional liability by a local insurance scheme YES/NO
g. Other
- 6) If a foreign auditor (qualified outside the EU) wants to be approved as a statutory auditor does he need to:
- a. Demonstrate an equivalent home qualification YES/NO
b. Pass an examination YES/NO
c. Follow an adaptation period YES/NO
d. Prove reciprocity YES/NO
e. Be resident in the country YES/NO
f. Take an official oath YES/NO
g. Cover his/her professional liability by a local insurance scheme YES/NO
h. Other
- 7) Which documents need to be provided by the migrant?
- a. Copy of diplomas YES/NO
b. Attest of membership in the country of origin YES/NO
c. Attest of integrity YES/NO
d. Address in the country YES/NO

D.2. APTITUDE TEST

- 1) Which body, organisation or government agency is responsible for **setting the regulations** governing the examination system for foreign candidates?
- a. For accountants
b. For statutory auditors
c. For foreign accountants/auditors

- 2) Which body, organisation or government agency is responsible for **conducting examinations** of foreign professionals?
 - a. For accountants
 - b. For statutory auditors
 - c. For foreign accountants/auditors

- 3) Does your Institute provide special information to the foreign candidates on the examination? YES/NO

- 4) How often are professional examinations held?
 - a. At least monthly YES/NO
 - b. At least half yearly YES/NO
 - c. At least yearly YES/NO
 - d. On demand YES/NO

- 5) Do candidates sitting the professional examinations pay a fee for doing so? YES/NO

- 6) Is the form of the professional examinations different from nationals? YES/NO

- 7) Which subjects are included in the examinations for **auditors** approved in another Member State?
 - a. Technical subjects
 - b. Legal subjects
 - c. Professional subjects

- 8) Which subjects are included in the examinations for **accountants** approved in another Member State?
 - a. Technical subjects
 - b. Legal subjects
 - c. Professional subjects

- 9) Which subjects are included in the examinations for **accountant and auditors** approved outside the European Union?
 - a. Technical subjects
 - b. Legal subjects
 - c. Professional subjects

- 10) Is there any limitation on the number of times a candidate may sit the professional examination, or part thereof? YES/NO
If yes, what procedures exist for the repetition of all or part of the professional examination by unsuccessful candidates?

- 11) May a candidate submit an appeal against the rejection of his application to sit for an examination, or against his failure to pass an examination? YES/NO
If so, with whom must the appeal be lodged, and what are the appeal procedures?

- 12) How many candidates asked to be submitted to this special procedure for foreign accountants/auditors between 1996-2000?

- 13) How many candidates were admitted to the profession on the basis of this special procedure for foreign accountants/auditors between 1996-2000?

APPENDIX 2

LETTER TO THE EUROPEAN COMMISSION CONCERNING THE PROPOSAL FOR A NEW DIRECTIVE ON THE RECOGNITION OF PROFESSIONAL QUALIFICATION

Letter addressed on 16 September 2002 to Mr. Jonathon Stoodley, Head of Unit at the European Commission

Dear Mr. Stoodley,

Re: Proposal for a Directive on the Recognition of Professional Qualifications

FEE, the representative organisation of the accountancy profession in Europe, welcomes the opportunity to comment on the proposal for a Directive on the Recognition of Professional Qualifications (COM (2002) 119 final) of 7 March 2002.

Overall, FEE supports the underlying objective of the proposed Directive to facilitate the freedom of establishment for professionals and the freedom to provide services across the European Union. Progress in this direction is to be welcomed. However, FEE also upholds the need, when considering freedom of movement and freedom of provision, to differentiate between the regulated areas (which do vary from country to country) and non-regulated areas of the profession's activities. Such a distinction helps to identify the most appropriate corresponding instruments to facilitate freedom of movement and of service provision.

Under the current European Union mutual recognition arrangements, the accountancy profession as a whole falls under the General System (through 89/48/EEC) while the training of individuals to undertake statutory audit – an important aspect of the profession's activities where the public interest dimension of its activities is most acute – is regulated by the Eighth Directive. Statutory auditors, however, also fall under the General System for the purposes of free movement.

1. Definitions

Article 3 defines, for the purpose of the Directive, regulated profession and professional qualification. These definitions are important but some difficulties arise over their practical use in relation to the accountancy profession.

1.1. Regulated profession is defined as being a professional activity or a group of professional activities. However, aside from statutory audit – which is regulated in all EU Member States through the Eighth Directive - there is not a uniform delineation across Member States of the regulated activities of the profession. Certain activities undertaken by the accountancy profession are regulated in some countries but not in others. In some instances, an activity which is reserved to the accountancy profession in one country is undertaken by another regulated profession in another Member State. Unfortunately, the proposal does not offer a clear answer to this problem. Title II, in particular, relating to free movement of services could be open to unacceptable discrimination and abuses. With the public interest in mind, FEE believes it essential

that “migrant” professionals seeking to undertake these regulated activities obtain the required “host” country qualification and relevant national authorisation.

- 1.2. It is important to distinguish between a regulated profession and a regulated institution delivering evidence of formal qualification. The implementation of the principles laid down in the directive is problematic in those countries where professional qualifications are delivered by several bodies, for instance professional institutes and a governmental agency. It is not clear whether the system, especially the adaptation period, would allow the migrant to apply for membership of any of the licensing bodies, irrespective of the additional conditions they could require in comparison with others.

Unfortunately, the proposed directive does not offer an explicit solution for this existing difficulty.

2. The Opportunity to Apply a Different Treatment to Statutory Auditing

The role and position of the statutory audit function in the corporate governance systems in each Member State need to be carefully considered. There is no valid reason to argue that the fundamental liberty of free movement of persons should not apply in this case. However, it is essential to ensure that all necessary safeguards apply to protect users of auditors’ report and more broadly the public interest.

Three aspects need to be considered:

- 2.1. How can the system guarantee that the statutory auditor has the required sufficient knowledge of the applicable standards, local laws and regulations to deliver a report in which the compliance with standards and local laws or regulations will be assessed ?*

FEE believes that the current system in place in the Member States is compatible with Article 14, paragraphs 1 and 2 for the statutory auditor. Tax law and company law are substantially different matters when they relate to different Member States. Since the introduction of the present mutual recognition arrangements, an aptitude test has been employed by all Member States to ensure that a statutory auditor has sufficient local knowledge to assume the host country title. Furthermore, the aptitude test is by far a more efficient system since a statutory auditor would not be allowed to sign a report in the host Member State during the adaptation period; signing the audit report means that the auditor is accepting full responsibility for the opinion he is delivering. It would be impossible to organise a system of combined signature with a professional in the host Member State that would avoid creating piecemeal responsibility.

The required knowledge of the national law together with the high expectation of the public in the work of the auditor is hardly compatible with the horizontal approach set out in the new proposal for a Directive on the recognition of professional qualifications under which rules for a large number of widely diverging professions would be introduced.

- 2.2. How can quality assurance for statutory audit in the EU be organised in order to guarantee that the minimum requirements as recommended by the European Commission (Recommendation 2001/256/EC of 15 November 2000) are satisfied even if the auditor is not established in the home country ?*

In the Ramrath Case, the European Court of Justice ruled that the free movement of auditors can be subject to “conditions which are objectively necessary for ensuring compliance with the rules of professional practice and which relate to a permanent infrastructure for carrying out the work, actual presence in that Member State and

supervision of compliance with the rules of professional conduct, unless compliance with such rules and conditions is already ensured through an auditor, whether a natural or legal person, who is established and authorised in that State's territory and in whose service the person who intends to practice as an auditor is employed for the duration of the work."

In line with this jurisprudence, FEE believes that the statutory audit function requires supervision by the authorities in the host Member State. If free movement of services is inherent to the internal market, the compulsory exemption, in Article 6 of the draft Directive, of any "authorisation by registration with or membership of a profession organisation or body" cannot be accepted. Some measures could be discussed in order to ease the procedure but the host Member State must be informed and must have the possibility to monitor the performance of the auditor, in accordance with the European Commission's Recommendation 2001/256/EEC of 15 November on Quality Assurance for Statutory Audit.

2.3. How can the respective competences of committees within the Commission be structured? Should Article 54 of the proposed Directive be declared not-applicable to the statutory audit function if a specific competence is recognised to the Committee on Auditing in application of the Eighth Directive?

FEE would prefer that the Committee on Auditing, which would be restructured after the revision of the Eighth Directive announced at the ECOFIN informal meeting in Oviedo in March 2002, remains competent to deal with all aspects related to the statutory audit function.

3. Accountancy Services (other than statutory audit); Free Provision of Services

The free provision of services is a fundamental liberty in the Treaty of Rome. FEE recognises that cross border provision of services also applies to accountancy services. Article 5 of the proposed directive could have a positive effect in facilitating such free movement of professionals and the freedom to provide services elsewhere in the European Union. It is worth pointing out, however, that by their very nature, accountancy services are more likely to be provided on a permanent rather than on a temporary basis. The main purpose of the issues raised below is to obtain clarification on the best way to implement this fundamental principle to accountancy services other than statutory audit.

3.1. Definition

Free movement of services is defined in Article 5 as the pursuit of a professional activity for a period of less than 16 weeks per year. The quantitative criteria is somewhat difficult to apply and to prove, especially if the services provider is not requested to be registered or even to inform the competent authorities in the host Member State. Nothing in the Directive imposes the contact point in the country of establishment to cooperate with the host Member State in order to avoid any abuse in the calculation of the maximum timeframe authorised under Article 5.2.

3.2. Quality Assurance on the Work of the Migrant

The services should be provided under the professional title of the country of establishment in the official language of this country. The migrant is requested to inform the contact point in the same country, but the proposal for a directive does not require control of any kind by this contact point to know whether declarations have been made. No sanction seems to exist if declarations are not made and it does not seem possible for a contact point to prevent the provision of services by someone who did not possess the required qualifications in accordance with the laws and regulations of the host country.

Article 52.1 of the proposal provides for a close cooperation between the competent authorities in the host Member State and the home Member State to facilitate application of the Directive. FEE believes that the cooperation should be amended to all necessary measures to guarantee that the interests of the users of accountancy services are equally protected whoever is providing the services.

FEE expresses the view that the proposal could only be considered as appropriate if the Directive would require Member States to provide for appropriate sanction when abuses of the free provision of services are identified by either the profession organisation or the contact point in the country of establishment or the professional organisation in the host country.

3.3. Other Conditions to Fulfil

In a number of Member States, professional accountants are required to fulfil conditions which are not necessarily linked to qualification, for example insurance, oath, etc.). It is not clear whether such requirements can be maintained and if so, how they can be implemented. Furthermore, in the case of regulated activities (other than statutory audit) reserved to those who possess a title delivered by the authorities of the Member States when the professional provides evidence of specific conditions, it is not easy to understand how a migrant could provide services under the title of the country of origin. This is especially true when the same activity is not regulated in the country of establishment.

The rationale for requiring the evidence of knowledge of language in the case of establishment (Article 49) and not in the case of provision of services is difficult to identify.

4. Accountancy Services (other than statutory audit); Establishment

As explained in the first part of this letter, knowledge of national tax and company law which is one of the main bases on which members of the accountancy profession across the European Union practice necessarily implies substantial differences in the education syllabuses of the national professional accountancy bodies. It is likely therefore that for some time to come Member States will continue to require compensation measures for accountants wishing to establish on their territory.

The most relevant difference between the systems currently applied by the Member States and the proposal will be the obligation to give the choice to the migrant between the aptitude test and the adaptation period. FEE has always expressed the view that the aptitude test is the most flexible solution and enables the qualification to be obtained in the least onerous way possible.

It is also difficult to envisage how an adaptation period could work effectively and how an authorising body would be able to assess that an individual had assumed satisfactory knowledge without the use of some form of written or oral test.

FEE understands that in the case of a professional of a non-Member country established in a Member State for at least 3 years, Article 3.3 allows the free movement to another Member State with the application, if necessary, of the compensation measures as mentioned in Article 14.

More difficult will be the application of Article 4 concerning the effect of recognition, not only when the profession for which the applicant is qualified in the Member State is an autonomous activity of a profession covering a wider field of activities in the host country,

but also in any situation where the scope of activities diverges substantially between the home Member State and the host Member State. In particular, Article 4 does not cover the situation where some activities allowed to a professional in his country of origin are reserved to another group of professionals in the host Member State.

We would be pleased to discuss with you any aspect of this letter you may wish to raise with us.

Yours sincerely,

Göran Tidström
President